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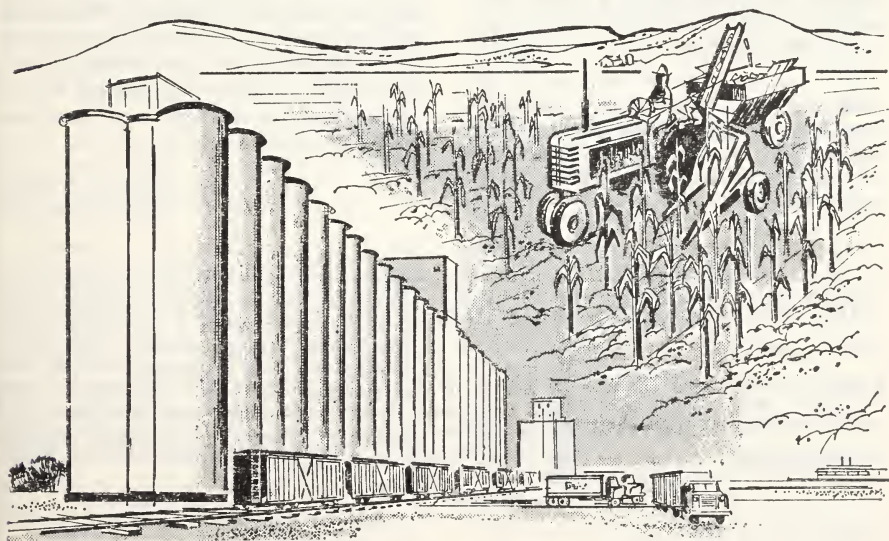
FEED GRAIN PROGRAM FOR 1962 INCLUDES BARLEY

The Agricultural Act of 1961 signed into law by the President on August 8 carries provisions for a 1962 Feed Grain Program. This was the second major legislation important to the feed grain situation, passed by Congress in 1961.

The first law was passed last March and carried provisions for higher price supports for 1961 feed grain crops to participating farmers who reduced

their corn and grain sorghum acreages. Under its provisions farmers also received payments in cash or in kind for diverting land from these grains to soil conserving uses.

The basic provisions of the 1962 Feed Grain Program are essentially the same as for the 1961 program. The expansion of the program to include barley is a major exception.



FEED GRAIN PROGRAM—Continued

In 1961 the program resulted in a reduction in the acreage planted to corn of about 18 percent, and a reduction in the sorghum acreage of 26 percent. It is estimated that payments received by farmers will total around 768 million dollars for diverting land to soil conserving uses.

Barley Growers May Participate

Farmers may participate in the barley program in 1962 without taking part in the corn and sorghum program. Barley producers may participate and be eligible for price support on 1962 barley by reducing their 1962 acreage by at least 20 percent from the 1959 and 1960 base acreage and not increasing the acreage planted to corn and grain sorghum above the 1959-60 base.

Producers of corn and grain sorghums may participate in the program by reducing the 1962 acreage of these grains at least 20 percent below the 1959-60 base, provided that they do not increase their barley acreage over the 1959-60 base.

Payments

Farmers will receive payments for diverting acreage from corn, grain sorghum, and barley on about the same basis as under the 1961 program. Payments for diverting land from corn, grain sorghum, and barley will be determined as follows:

(1) For retiring 20 percent of the 1959 and 1960 base acreage, the payment will be based on 50 percent of the normal production on the diverted acreage times the basic county price support rate.

(2) For retiring 20 to 40 percent of the base, the payment will be based on 60 percent of the normal production on the diverted acreage times the basic county price support rate.

(3) For over 40 percent, the payment will be based on 50 percent of the normal production and the county price support rate.

Farmers having a corn and grain sorghum base or a barley base of 25 acres or less may divert their entire base acreage for payment to soil conserving uses. Farmers may receive up to one half of their payments when they sign up for participation in the program, as under the 1961 program. The sign-up period for fall seeded barley in most States is from September 15 to December 1.

The Secretary of Agriculture has the same authority to establish price supports on 1962 feed grains as for 1961 crops. The 1962 price supports for corn, grain sorghum, and barley will be available on the normal production of these grains on the 1962 acreage, based on the 1959 and 1960 average yield. Thus, that part of production resulting from yields over the 1959-60 average will not be eligible for price support. Price supports for 1962 crops have not yet been announced.

A special exemption is provided for producers of malting barley. Producers will be eligible for price support on their 1962 crop and are exempt from the acreage reduction provisions of the program if they meet the provisions applying to malting barley.

Malcolm Clough
Economic Research Service

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SOYBEAN PRICES SHOULD BE MORE STABLE IN 1961-62

The 1961-62 supply of soybeans is placed at a record 716 million bushels, up 134 million from the previous year. An increase in supply this large is greater than can readily be absorbed by the expanding soybean market outlets during 1961-62, and a sharp increase in carryover stocks on October 1, 1962, will occur.

The season average price received by soybean farmers for 1961 crop soybeans is forecast at \$2.30 per bushel, about 4 percent more than a year earlier. The seasonal swing in soybean prices during 1961-62, however, is likely to be considerably less than last year as prices will be linked more closely to the CCC price support operations.

Farm prices during the heavy soybean harvesting season this fall are averaging near the national support rate of \$2.30 per bushel. This is approximately 15 percent above the \$2.00 per bushel received during October-December 1960. The price supports have placed a floor under the market.

After the heavy harvest period, prices to farmers likely will return to the loan level, advancing seasonally with the price of storage. The CCC probably will take over a substantial amount of 1961 crop soybeans on June 1, 1962, and its minimum resale price will be 16.5 cents per bushel over the \$2.30 per bushel loan rate during the summer.

The CCC sales price will tend to become the market at that time as soybean crushers and exporters turn to the Government for supplies to meet commitments for the remainder of the marketing year.

Soybean crushings in 1961-62 are forecast at a record 425 million bushels, up around 23 million bushels from the previous year. A bean crush this size would produce about 4.6 billion pounds of crude soybean oil and 10.0 million tons of soybean meal. A factor possibly limiting the crush will be the record carryover of soybean oil on October 1, 1961—the bean equivalent of 62 million bushels, more than double that of a year earlier.

The Food for Peace Program will pick

up momentum during 1961-62 (450 million pounds of edible oils scheduled so far for donation to needy abroad) and this will help boost soybean crushings. Domestic use of soybean oil is forecast at 3.5 billion pounds and soybean oil exports at 1.3 billion pounds. These demand estimates for bean oil exceed the prospective 1961-62 output and carryover stocks of soybean oil on October 1, 1962, likely will be down sharply from this year.

Soybean oil prices in 1961-62 are expected to average about the same as a year earlier but meal prices probably will be down slightly. Prices of both oil and meal are expected to vary less during the course of the 1961-62 marketing year than a year ago.

With strong foreign demand for beans in 1961-62, exports are forecast at 175 million bushels, up 45 million from last year. The increases over last year are expected to go mainly to Japan, Western Europe, and Canada. These major importing areas will continue to need large imports of U.S. oilseeds.

Japan recently removed her restriction on imports of U.S. soybeans. Europe will buy more because of expanding demand for meal. The consumption of soybean oil in Europe has been trending upward slowly and the European livestock economy continues to grow.

Soybean seed and feed uses probably will require about 41 million bushels of beans and if crushing (425 million bushels) and soybean export (175 million bushels) estimates are reasonably accurate, carryover stocks of old crop beans on October 1, 1962, may be around 75 million bushels, compared with a mere 6 million bushels on the same date this year and the record 62 million bushels of October 1, 1959.

Most of the carryover of 1961 crop beans likely will be in the hands of CCC. A peak soybean carryover of 75 million bushels would be enough to satisfy only one month's crush and export.

George W. Kromer
Economic Research Service

Leading Overseas Market for U.S. Farm Output—

JAPAN

Japan, a country smaller than California but with more than half as many people as the United States, was the leading foreign market for U.S. farm output during the 1950-59 decade. The average annual value of U.S. agricultural exports to Japan was \$391 million as compared with \$383 million to Great Britain, the second ranking market.

Japanese farmers, although their output per acre is three to four times as high as most countries in the Far East, can produce only 80 percent of the country's food needs and only a fraction of agricultural industrial raw material requirements. Agricultural imports, vitally important to Japan, constitute about 40 percent of all imports and are rather well distributed between foodstuffs—wheat, sugar, and soybeans—and agricultural industrial raw materials—cotton, wool, rubber, tallow, and hides and skins. Cotton and wool, two natural fibers imported at the rate of over half a billion dollars annually, form the basis of the internationally famous textile industry.

In 1950, nine commodities—wheat, barley, corn, rice, soybeans, cotton, tobacco, tallow, and hides and skins—constituted the bulk of the U.S. agricultural exports to Japan. During the mid 1950's soaring agricultural productivity reduced the need for rice, and by 1960 barley was no longer being imported. Despite the decline in the number of principal commodities being supplied by the United States and general decline in prices, however, the level of exports to Japan moved steadily upward in 1960 and in fiscal year 1961 they appear to be headed for an all-time high of about \$560 million.

Cotton, traditionally the leading farm commodity exported to Japan, spurred the movement to a new high. Also contributing were soybeans, which have consistently expanded at about 10 percent per year for the past several years. The United States is virtually



the only supplier of soybeans since Communist China, the only other major soybean exporter, no longer ships to Japan.

The market for tallow and hides and skins remains strong and the gradual upward trend of the past few years is being maintained. Keen competition in wheat and corn from other suppliers prevents any U.S. gains and in some instances U.S. shipments are declining. Japanese consumers are continuing to express a preference for hard spring wheat in which Canada is a highly competitive exporter. Argentina, the Republic of South Africa, and especially Thailand are providing formidable competition in the Japanese corn market.

A strong economic upsurge in 1960 and 1961 combined with an all-time high in gold and dollar holdings has set the stage for expanded U.S. agricultural exports to Japan. At the 1960-61 level the value of U.S. farm products to Japan amounted to nearly \$150 per American farm. With the lively Japanese economy expanding at some 8 percent annually, the outlook for U.S. farm exports to Japan is promising.

Lester R. Brown
Economic Research Service

OUTLOOK



Cotton

The 1961 cotton crop, estimated at 14.3 million running bales, is about the same as last year's harvest. Disappearance is currently indicated at about 14.5 million bales, leaving a carryover on August 1, 1962, close to the 7.2 million of 1961.



Turkeys

Turkey prices during the upcoming heavy marketing season will reflect the large supply. This year's crop of 107 million turkeys raised is 26 percent larger than last year's record. Mid-October prices received by producers at 17.4 cents a pound were 3 cents below last year. In the second week of October, toms in Iowa were selling at 14 cents a pound and hens at 16 cents. These prices were about 10 cents below a year earlier. (See the story on page 12.)

Feed

During the feeding year now starting, the Feed Grain Program is expected to reduce moderately the carryover of feed grains. This would be the first reduction in feed grain stocks since 1952. Total feed grain production, based on October 1 indications, will dip about 17 million tons below the 155 million ton record of 1960. Less seasonal decline in feed grain prices is expected this fall than last, when prices dropped 13 percent from September to November.

Broilers

The outlook for broilers is for continued large production and low prices.

Hogs

Hog slaughter turned up seasonally in September, moving ahead of the last September 1 figure. Slaughter is expected to continue heavy for the next few months as the larger spring pig crop is marketed. Hog prices were lower during October than a month earlier. Increased weakness is likely in November with prices averaging somewhat below the \$16.60 per hundred pounds received by farmers a year ago.



Wheat

Prices on October 16 were above a year earlier for dominant classes and grades as follows: Hard amber durum, \$1.20; hard red spring, 18 cents; soft white, 10 cents; hard red winter, 9 cents; soft red winter, 5 cents.

The strength in prices this year reflects tight holding of wheat by farmers, influenced by the 21-cent higher support rate for 1962 wheat and the all-time record exports. With supplies of durum sharply below requirements, the price of this class of wheat continues very high.

The October 1 estimate of 1961 wheat production of 1,211 million bushels is only one million bushels higher than the previous estimate as of September 1.

OUTLOOK



Continued

The total wheat supply for the marketing year which began July 1, 1961, is now estimated at 2,630 million bushels, 2 percent below the record of 2,672 million a year earlier.

Total disappearance for 1961-62 is estimated at 1,265 million bushels. Of this, domestic disappearance is figured at about 590 million bushels, slightly below last year principally because of reduced use of wheat for seed and possibly feed. Exports are estimated at 675 million bushels, slightly above the record 662 million in 1960-61.

On this basis, the total wheat carryover on July 1, 1962, would be about 1,365 million bushels, about 50 million below July 1, 1961. The decline in stocks would be the first since 1958, when the carryover was only about two-thirds of the projected July 1, 1962, carryover.



Dairy

Milk production per cow since May has steadily moved above 1960 rates. Contributing to this are above-average pasture conditions and a sharp increase in the amounts of concentrates fed to milk cows. The step-up in per cow output is showing up in higher total milk production. Milk production for 1961 will be about 2 billion pounds above the 122.9 billion of 1960, approaching the 1956 record of 124.9 billion pounds.

Citrus Fruit

Production estimates for (early, mid-season, and navel) oranges in the cur-

rent marketing year indicate a crop about 3 percent larger than last year. Output is expected to increase the most in Florida, but small to moderate increases are in prospect in Arizona and Louisiana. California output is expected to be below a year ago.



Eggs

Monthly egg output is expected to exceed year-ago levels during the fall and winter. The increase will be mostly from higher rates of lay per bird; by the turn of the year, the size of the flock may be slightly below last year. Prices through the first quarter of 1962 probably will run below those of a year earlier.

Cattle

Commercial beef production for the rest of 1961 is likely to average a little above year-earlier levels. Cattle prices probably will remain steady in the last quarter, averaging somewhat below the \$19.50 per hundred pounds received by farmers a year ago.

Soybeans

Farmers' prices during the heavy fall harvesting season will probably drop a little below the average support rate of \$2.30 per bushel. After harvest, they are likely to return to the loan level. (See the story on page 3.)

Potatoes

Production of fall potatoes, at 194 million hundredweight, surpasses last year's total by 11 percent. Most of the increase comes from the 9 Western States. Heavy supplies are resulting in depressed prices to growers.

Vegetables

(See story on page 13.)

MARKETING ORDERS

Self-Help for Producer Groups

Considerable interest has been sparked among farmers and commodity groups by provisions in the Agricultural Act of 1961 that deal with self-help stabilization programs.

The Act authorizes the Secretary of Agriculture to review with farmers and commodity organizations the problems they have, the need for new legislation, and the provisions which may be included in any proposed legislation.

The Act also opens the door for wide producer participation in self-help programs with use of marketing orders by authorizing their use for *any agricultural commodity* not specifically excluded in the legislation.

In a marketing order self-help program, the industry initiates, develops, and directs its own program. Administrative costs are borne by the industry.

Self-help programs are not new, but some misunderstanding of their purpose and application seems to exist.

A realistic and planned approach to market stabilization of commodity supply, quality, and price has been an objective for years by the farmer, farm groups, and Congressional leaders.

Purpose of Programs

The programs are designed to strengthen the farmer's bargaining power and to give him opportunity to attain parity of income with other economic groups. They permit him to manage supplies, to stabilize markets, and to take his rightful place in the Nation's private enterprise system.

For the consumer, the programs assure an even and adequate commodity supply at fair and reasonable prices.

A commodity group initiates a self-help program by contacting the Secretary of Agriculture, and informing him it is interested in setting up a program to solve its market problems.

At the request of the industry, the Secretary may name a committee, representing the industry, and give technical assistance in studying the situation and preparing for him a proposed market stabilization plan.

If the industry desires a marketing order, and its proposed provisions meet with the Secretary's approval, public hearings are held, and all interested parties are given opportunity to present evidence.

A recommended decision is released by the Department of Agriculture on the proposed program, and an opportunity is given those who disagree to file arguments.

After a review of the exceptions filed, a final decision is issued by the Secretary. A proposed marketing agreement is submitted for signature by handlers, and the proposed marketing order is given to producers for approval through a referendum.

In the referendum, voting is done by mail and balloting is secret. The Department of Agriculture pays for the referendum and the services of field offices are used to conduct it.

Producers accept the program when two-thirds of those voting approve, or when those producing two-thirds of the commodity in terms of volume approve.

If an order has the necessary producer approval, but the required 50 percent of handlers fail to sign, the Secretary may issue the order anyway if he finds this is the only practical means to advance the interests of the producers and to serve the declared policy of Congress.

With issuance of an order, the Secretary appoints a board to administer the program. Members are chosen from a slate of candidates nominated by groups concerned.

The size of the board is decided upon by the industry, and terms of office are specified in the marketing order. Producers traditionally have made up three-fourths of the board's membership.

Marketing Order Provisions

Provisions of the marketing order may authorize allotment of the amount which any handler may purchase or

(Continued on page 11)

HOW DID YOUR STATE RANK IN MEAT

Three-fifths of the total live weight (49.4 billion pounds) of meat animals produced in the United States in 1960 came from the North Central States. This area has many livestock farms and feeds additional animals shipped from other areas.

Eleven Western States produced 13.6 percent of the United States total. Many cattle and sheep breeding herds are kept on the extensive Western ranges and each year this area produces many calves and lambs for slaughter or feeding in areas of large concentrate feed production. Dairy herds in the East provide a considerable number of cattle and calves for slaughter.

The map charts show production in each State as a percentage of the United States total for the three species of meat animals—cattle, hogs, and sheep. They are based on the weight of calves, pigs, or lambs raised, plus the weight added to other animals during the year within each State.

Nearly a fifth of the Nation's cattle

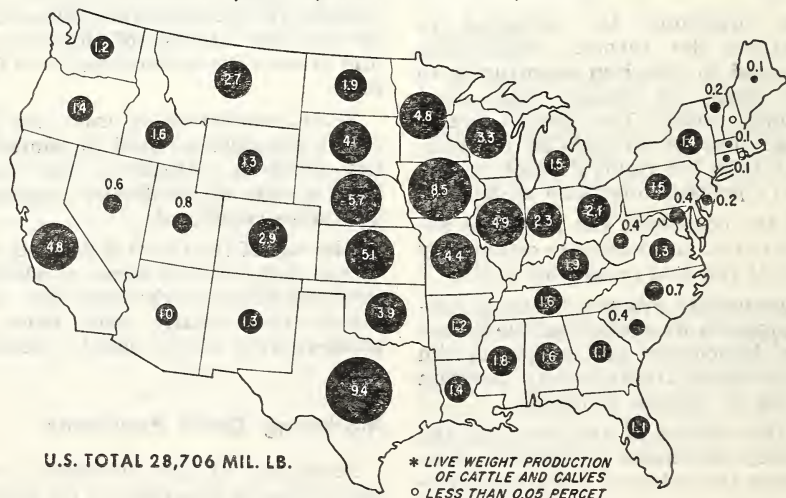
production is in the West where breeding herds predominate. However, cattle feeding is expanding in this area and has increased the importance of some States, notably California and Colorado. The relatively high percentage of total production occurring in the Great Plains and Corn Belt States is attributable to the many cattle herds on farms plus the large number finished in feed lots. The North Atlantic States rank higher in cattle production than for other meat animals because of the large number of dairy herds.

The close association of hogs and corn is evident in the map chart. Nearly 80 percent of the country's hogs are produced in the North Central States. Kentucky, Georgia, North Carolina, and Tennessee are the leading hog producing States outside this region. Most of the remaining States depend upon inshipments of hogs or pork for their consumption needs.

Earl Miller
Economic Research Service

FARM PRODUCTION OF CATTLE *

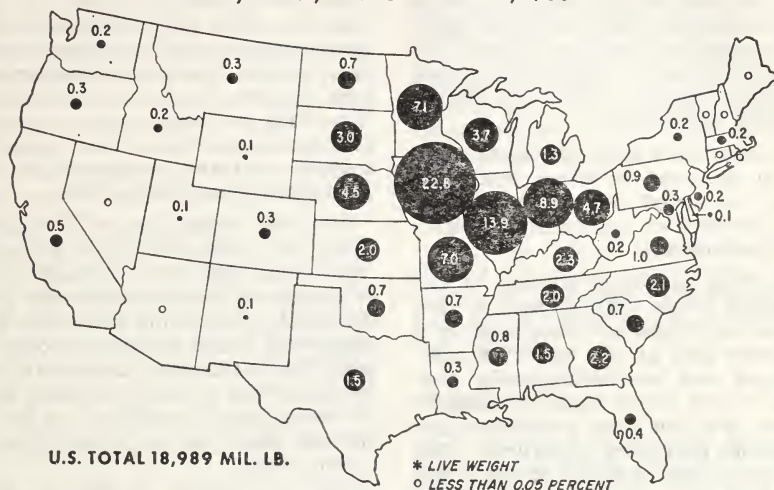
By States, as % of U.S. Total, 1960



ANIMAL PRODUCTION LAST YEAR?

FARM PRODUCTION OF HOGS *

By States, as % of U.S. Total, 1960

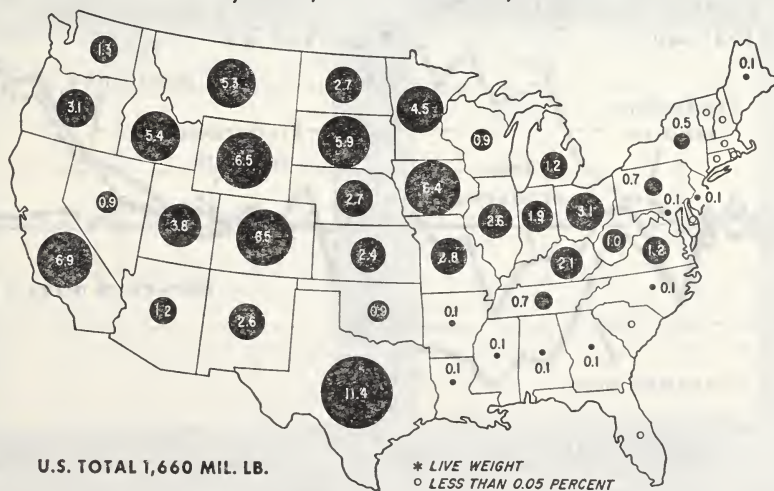


U.S. DEPARTMENT OF AGRICULTURE

NEG. ERS 369-61(8) ECONOMIC RESEARCH SERVICE

FARM PRODUCTION OF SHEEP AND LAMBS *

By States, as % of U.S. Total, 1960



U.S. DEPARTMENT OF AGRICULTURE

NEG. ERS 369-61(8) ECONOMIC RESEARCH SERVICE

ACREAGE-CONTROL PROGRAMS

How Have They Affected Crop Yields?

It is often said that acreage-allotment and marketing quota programs have not been effective in cutting down crop production because farmers increase yields on the remaining acreage by applying more fertilizer or adopting improved techniques.

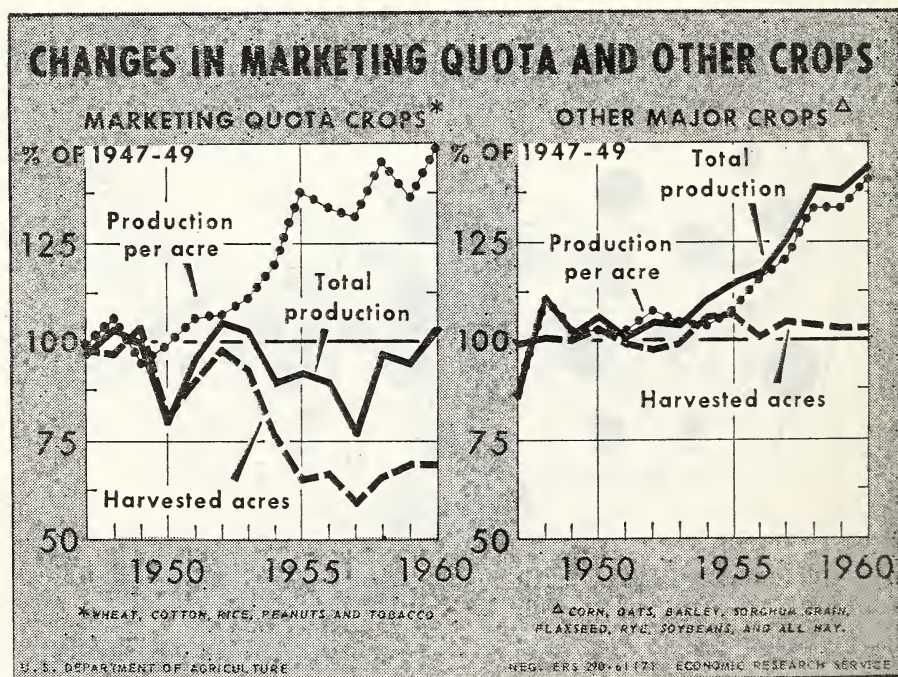
The economist does not always find this to be true, however, since the farmer has good reason to increase yields whether or not acreage restrictions are in effect.

The total harvested acreage of the five quota crops (wheat, cotton, rice, peanuts, and tobacco) decreased by a third from 1952 to 1955 under acreage-allotment and marketing-quota programs. Their yields went up nearly 30 percent, but the total production for these crops decreased 12 percent. The remarkable rise in yields of the quota crops during this period was probably due chiefly to land selection or keeping the most productive land in these crops.

Contrary to popular opinion, per acre yields have gone up much less for quota than for other field crops since 1955. The composite yield increased by about 10 percent for quota crops as compared with 33 percent for nonquota crops from 1955 to 1960. Corn is included with nonquota crops since it never was a quota crop and allotments for corn were discontinued after 1958.

Why the much greater increase in yields for nonquota than for quota crops since 1955 when acreages of the two groups of crops changed very little? Apparently, economic possibilities for improving yields for quota crops were more fully utilized by 1955 than those for improving yields of nonquota crops. In recent years, fertilizer use has increased more for nonquota than for quota crops.

There is little basis for the widespread belief that high prices under price support programs have caused yields of quota crops to increase during



the 1950's. Actually, prices received by farmers for the quota crops averaged about 10 percent lower in 1960 than they did in 1952. However, farm prices of the nonquota crops decreased about 30 percent from 1952 to 1960 when total production of these crops went up 37 percent.

Acreage controls cannot be dismissed as a totally ineffective method of curtailment of crop production. If additional reduction in acreages of quota crops had taken place after 1955, reduction in production of these crops probably would have been nearly in proportion to reductions in acreages. Fewer acres of quota crops would have made more land available for growing nonquota crops and probably would not have solved the overall surplus problem. But acreage diversion has not been the main source of expansion in production of the nonquota crops. From 1952 to 1960, the harvested acreage of non-quota crops went up only 5 percent while yields went up 30 percent, indicating that higher yields were several times as important as larger acreages in bringing about surpluses of feed grains and other nonquota crops.

R. P. Christensen

R. O. Aines

Economic Research Service

The Farmer's Share

The farmer's share of the consumer's food dollar was 38 cents in August 1961, one cent more than it was in July. In August 1960 the farmer's share was 38 cents.

Marketing Orders—Continued

handle, and may establish the quantity that may be shipped to market during any specified period.

The orders may provide methods for surplus control, establish reserve pools, and prohibit unfair trade practices.

They also may provide for the establishment of marketing research and development projects to assist, improve, or promote the marketing distribution

Final Production of 1960 Citrus Is 5 Percent Below That of the Previous Year

All citrus production totaled 7.5 million tons for 1960-61, down 5 percent from the previous crop, but the value of this production (525 million dollars) was up 16 percent. The value estimates cover the marketing season and should not be confused with cash receipts from these crops for a calendar year.

Orange Crop

From the 1960-61 crop of oranges, 77 percent of the total tonnage was grown in Florida, 19 percent in California, and 4 percent in Texas, Arizona, and Louisiana combined.

Grapefruit Crop

Of the 1960-61 tonnage of grapefruit, 75 percent was grown in Florida, 16 percent in Texas, 5 percent in California, and 4 percent in Arizona.

Amount Processed

Processors used 67 percent of the production of oranges, 43 percent of the grapefruit production, 30 percent of the lemon production, 36 percent of the lime production, 19 percent of the tangelo production, and 32 percent of the tangerine production. Florida oranges going into frozen concentrate amounted to 65 percent of that State's total production of oranges.

and consumption of the commodity or product.

The turkey, broiler, honey, rye grass seed, peanut, and lamb industries are among those groups now discussing, investigating, or developing self-help programs.

Self-help programs may well offer new vistas for commodity and market development.

Dr. James T. Ralph
Assistant Secretary of Agriculture

Let's Look at the Poultry Inventory



An inventory of the Nation's poultry flock is prepared and published by the Statistical Reporting Service on October 1 and January 1 each year. This inventory estimate covers (1) hens one year old and older, (2) pullets of laying age, (3) pullets not of laying age, and (4) other young chickens.

Hens one year old and older on October 1 totaled 150,940,000, 10 percent less than the number on hand October 1, 1960. Pullets of laying age on October 1 were estimated at 144,064,000, up 19 percent from a year earlier. All layers on farms totaled 295,004,000—2 percent more than were on hand a year earlier but about 7 percent less than the 1950-59 average for October 1. As compared to a year earlier, layer numbers increased 8 percent in the South Central and 7 percent in both the South Atlantic and the Western regions.

Pullets not of laying age on October 1, 1961, were estimated at 78,060,000—8 percent less than a year earlier. All regions were below last year except the West, which had an increase of 3 percent. Decreases from last year were 13 percent in the West North Central, 12 percent in the North Atlantic, 9 percent in the East North Central, 4 percent in the South Atlantic, and 1 percent in the South Central States.

Potential layers (hens and pullets of laying age plus pullets not of laying age) on farms October 1 are estimated at 373,064,000, compared with 374,295,000 at the same time last year. Other young chickens on farms totaled 32,556,000—6 percent more than last year but 29 percent less than the 1950-59 October 1 average. The total of all young chickens on farms October 1 was 254,680,000—an increase of 8 percent from last year.

Al Potter
Statistical Reporting Service

TURKEY BREEDER HEN INTENTIONS '62 Hatching Season

The best indication of the prospective size of the 1962 turkey crop available at this time is the report showing October 1 intentions of breeder flock owners to retain breeder hens.

15 Leading States

This report shows that flock owners in 15 of the most important States expect to hold about the same number of heavy breed hens but 24 percent less light breed hens at the beginning of the 1962 hatching season than retained a year earlier. These 15 States accounted for 81 percent of all breeder hens on hand January 1, 1961.

Heavy Whites

Compared with the 1961 season, turkey breeders plan to have 18 percent more heavy white breed hens but 8 percent less bronze and other heavy. Breeders in California report that their intentions are to retain 90 percent more heavy white breeder hens than last year. This 90 percent increase accounts for most of the 18 percent increase in heavy whites recorded in the national total.

Other Heavy Breeds

For other heavy breed hens decreases were indicated in 9 of the 15 States. Decreases were 8 percent in Minnesota, 10 percent in California, and 25 percent in Missouri. In Oklahoma, Iowa, Michigan, and Ohio increases are expected in other heavy holdings of 20, 7, 5, and 2 percent, respectively, while in Oregon expectations are to hold about the same number as last year.

The two most important States in the population of light breeds, Virginia and Minnesota, expect to reduce holdings of light breed hens 25 and 15 percent, respectively.

Historically, the intentions shown in this report have closely agreed with the actual retention of breeder hens. Usually, they also provide a fair guide as to the size of the following year's turkey crop.

AMPLE SUPPLIES OF PROCESSED VEGETABLES, POTATOES, AND DRY BEANS

Total supplies of canned vegetables likely will be moderately larger than those of the 1960-61 season. Smaller carryover stocks are expected to be more than offset by a materially larger pack. Larger supplies of all major canned items are expected except green peas.

Total supplies of frozen vegetables are the largest of record. Carryover stocks at the beginning of the season were considerably larger than those of a year ago and the pack appears to be substantially larger.

During the early part of the current season, distributor demand for most processed vegetables has been routine. Generally, buyers have been filling only immediate requirements while waiting for the market to adjust to a new crop basis. With higher raw product costs for most items, and higher costs of processing and distribution, both f.o.b. and retail prices for most processed items are expected to average a little above those of last season.

Potatoes and Sweetpotatoes

Considerably more potatoes will be available for marketing this fall and winter than a year ago. Production of the fall crop, a large part of which is stored for future marketings, is 194 million hundredweight, a tenth larger than last year and highest of record. Production in the 9 Western States is a fourth larger than last year. Idaho accounts for three-fourths of the increased production in the Western area. The crop in the 8 Eastern States is up slightly from last year. Output in Maine is slightly larger as a result of moderately higher yields. But most of the increase was in Upstate New York where both acreage and yields were up. Production in the 9 Central States is slightly smaller than last year due to lower yields.

About three-quarters of the fall potato crop is produced in areas where marketing agreements and orders similar to those of the past few years

again are in operation. Since mid-September the Department, at industry request, has been operating a program designed to assist growers in marketing the large 1961 crop by encouraging diversion of lower grade potatoes to non-food uses. Supplemental payments will be made for diversion of U.S. Number 2 or better quality potatoes to starch, flour, or livestock feed. However, with supplies considerably in excess of market requirements, prices to growers this fall and winter are expected to continue below those of a year ago.

Production of sweetpotatoes is moderately below that of last year and a fifth below the 1950-59 average. Among the important producing States output is up slightly in Louisiana, and up materially in California. Output in New Jersey and Texas is about the same as last season. However, production continues to decline in most of the Southern States. With smaller supplies, and demand near that of a year ago, prices to growers likely will average above those of last season.

Dry Beans

Total supplies of dry edible beans are moderately larger than last season. Supplies of both white and colored beans appear to be above those of a year ago. The supply of pea beans is likely to be substantially larger than last season but reports indicate somewhat lower quality.

Total exports of dry beans likely will be larger than last year. Most of the increase is expected because of prospects of substantial shipments under P.L. 480 programs. With continued loss of the Cuban market, exports for dollars promise to be relatively low, though probably above those of last year. Higher support levels for 1961-crop beans will likely result in average prices to growers a little above those of last year, despite larger supplies.

John F. Crum
Economic Research Service

MORE CATTLE ON FEED

On October 1, there were 8 percent more cattle and calves on feed for market than a year earlier in the 26 major feeding States—12 North Central States, 11 Western States, Pa., Okla., and Texas. The number on feed totaled nearly 5.6 million head compared with 5.1 million October 1, 1960, and 5.8 million head July 1, 1961.

The North Central region showed a 14 percent increase from a year earlier. Iowa, the leading State, was up 12 percent. Missouri was down 1 percent, the only State in the region showing a decrease. In the 11 Western States there were 2 percent fewer cattle on feed, with the two leading Western States, California and Colorado, down 1 percent and 13 percent, respectively.

The breakdown of the number on feed by weight groups shows those weighing less than 500 pounds were up 18 percent; those 500-699 pounds were up 5 percent; those weighing 700-899 pounds were 13 percent higher; and cattle in the 900-1,099 pound group increased 6 percent compared with a year earlier. The number weighing over 1,100 pounds was down 3 percent.

On October 1 cattle and calves that had been on feed less than 3 months were 14 percent above a year earlier, but the number on feed 3-6 months was down 1 percent. Cattle and calves on feed more than 6 months were up 7 percent from October 1, 1960.

There were 9 percent more steers and steer calves and 7 percent more heifers and heifer calves on feed compared with October 1 last year.

Cattle and calves placed on feed during July, August, and September amounted to 3.2 million head, 14 percent more than the same period in 1960. Marketings of fed cattle during the period, at 3.4 million head, were up 3 percent from a year earlier.

Cattle feeders expect to market 56 percent of the October 1 number on feed (about 3.1 million head) during October-December this year—5 percent more than they marketed during the fourth quarter of 1960.

Dan L. Herbert
Statistical Reporting Service

Honey Production in 1961 at Record Level

The 1961 honey crop is now estimated at 275,979,000 pounds—6 percent more than the 260,128,000 pounds produced in 1960 and 13 percent more than the 1955-59 average production. Honey production in 1961 was a record large crop, exceeding the previous record of 1952 by about 1 percent. On September 15, 1961, beekeepers had 104,457,000 pounds of honey on hand for sale. This amounted to 38 percent of the 1961 production.

Production per colony in the country averaged 50.0 pounds, compared with 47.9 last year and the 1955-59 average of 45.5 pounds. In the East North Central region honey production was well above average as the season was particularly favorable for nectar flow. Yield per colony was the highest of record in Wisconsin and the highest since 1941 in Illinois. In Iowa and southern Minnesota a good crop of excellent quality honey was obtained. Weather conditions were favorable for a good nectar flow from sweet clover in Nebraska. The citrus flow in Florida was poor this year as the blooms were short lived due to hot weather. In north and west Florida conditions were favorable for plant growth and nectar flow. In southern California the honey crop was very poor due to drought.

The 10 leading honey producing States in 1961 (in order of production) were: Minnesota, California, Florida, Wisconsin, Texas, Iowa, Ohio, South Dakota, Idaho, and New York. These States accounted for about 57 percent of the Nation's crop. Honey production was above last year in all regions of the country except in the North Atlantic and South Central, which were down 14 and 3 percent, respectively, from 1960. Increases from last year were 29 percent in the West North Central, 3 percent in the East North Central, and 2 percent in each of the South Atlantic and Western regions.

Al Potter
Statistical Reporting Service

"Bert" Newell's

Letter

I fixed the back gate, and I mean it's fixed. My neighbor Bob came by, took a look, and said, "Gosh! you must expect to live forever." It is a good job, if I do say so, and everything was done except one half of the bottom hinge. Then I got in a hurry. I slapped that hinge on in a few minutes, only to find the gate wouldn't shut. So, I had to reset the hinge and ended up using about a half hour to do a job that should have taken only about 10 minutes if I had done it right in the first place.

Mistakes, little things like that, are certainly annoying. You feel so darn silly when you make them and then it's doubly irritating to have to spend two or three times as much time correcting them as it would have taken if you had used just a few precautions in the first place.

I don't know what this has to do with agricultural estimates, except that, as I have said before, in our work we have to move so fast on most of our reports we use all kinds of checks to guard against slip-ups. For example, one almost got through on this letter last month. If it had not been for the sharp eye of the editor of this publication, I would have ended up saying that poke-weeds and Jimson weeds were the same. I am sure I would have heard about a foolish crack like that.

On this matter of mistakes, though, it seems to me that we sometimes lull ourselves into a complacent sort of attitude by reciting some of the old clichés like "everybody makes mistakes, nothing would get done if they didn't." Or, we say, it's all right to make a mistake once just don't make the same one twice. That may be O.K. up to a point, but there are times when a fellow might not be around to profit by his experience.

I remember the fellow in the rock quarry at home who cut a two-foot fuse

when he should have cut one about two yards. Poor guy, he didn't get another chance.

When you get another chance, I suppose making the same mistake twice is pretty stupid. On the other hand, there are times when it is rather difficult to recognize all of the circumstances in a particular situation as the same as those that prevailed in a previous experience. So, I guess it behooves all of us to be careful and a little tolerant when we start criticizing—even when the mistake turns out to be a "repeat." Sometimes, too, we are inclined to criticize a person for what we call a mistake when what we are actually doing is "second-guessing" him.

What gets me most, though, is the mistakes that needn't be made in the first place. This comes closest to home to all of us with children. We see a youngster that goes pell-mell into something we know perfectly well he'll be sorry for, but we are just old fogeys if we stamp down hard and say "no."

On the kid's side of the argument, though, we'll have to be pretty careful we aren't old fogeys and make decisions on the basis of conditions or factors that no longer exist. I know, for example, that some 30 years ago I stopped my kids from doing some things that would seem perfectly reasonable now.

What I get around to, I guess, is that we often fail to make maximum use of the experiences and mistakes others have made to avoid making some one-time mistakes ourselves. On the whole, the occasional repeater bothers me somewhat less than the fellow who seems determined to make all of the mistakes once. Maybe, I am just setting up a basis for excusing myself for the next time I pull a bobble on setting a gate or a door hinge. Anyway, I know it always takes a lot less time to make an error than it does to correct it.



S. R. Newell
Chairman, Crop Reporting Board, SRS



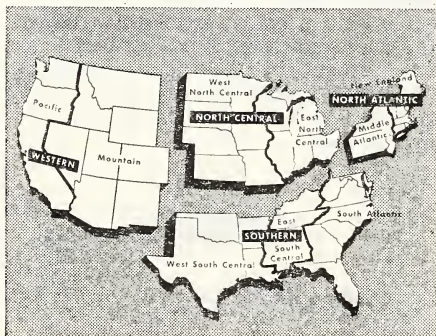
Growth Through Agricultural Progress

November 1961

In This Issue

	Page
Feed Grain Program for 1962	
Includes Barley-----	1
Soybean Prices 1961-62-----	3
Leading Overseas Market for	
U.S. Farm Output—Japan----	4
Outlook-----	5
Marketing Orders-----	7
How Did Your State Rank in	
Meat Animal Production in	
1960?-----	8
How Acreage-Control Programs	
Affect Crop Yields-----	10
The Farmer's Share-----	11
1960 Citrus Production-----	11
The Poultry Inventory-----	12
Turkey Breeder Hen Intentions--	12
Ample Supplies of Processed	
Vegetables, Potatoes, and	
Dry Beans-----	13
1961 Honey Production-----	14
More Cattle on Feed-----	14
"Bert" Newell's Letter-----	15

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